The Law Society of Manitoba

1990 Annual Report

This report covers the practising year

April 1st, 1989 to March 31st, 1990

92-03976/

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BENCHERS

Officers
(Appointed May, 1989)

President: John M. Scurfield, Q.C.
Vice-President: Colin R. MacArthur
Past President: Alan D. MacInnes, Q.C.

Benchers elected for a Two Year Term on May 4, 1988

Eastern Judicial District:	Douglas N. Abra	D'Arcy C.H. McCaffrey, Q.C.
	Derek A. Booth (1)	Bruce H. Miller
	Norman A. Cuddy	Brian A. Pauls
	Richard K. Deeley (2)	Jay C. Prober
	Robert A. Dewar	John M. Scurfield, Q.C.
	Cy M. Fien	Richard G.S. Shead
	Jeffrey Gindin	J.F. Reeh Taylor, Q.C.
	Cheryl M. Hall, Q.C. (3)	Douglas G. Ward
	Barbara M. Hamilton, Q.C.	Hymie Weinstein, Q.C.
	Bryan D. Klein	Gavin M. Wood
	Colin R. MacArthur	

(1) appointed to fill vacancy of A. MacInnes, Q.C.
(2) appointed to fill vacancy of C.M. Hall, Q.C.
(3) appointed to the Court of Queen's Bench

Central Judicial District:	Gary R. Gilmour	Brock G. Lee, Q.C.
Dauphin Judicial District:	Eric B. Irwin	John A. Menzies
Western Judicial District:	George N. Bass, Q.C.	Donald M. Little
	David Campbell, Q.C.	Norman H. Sims
	John H. Combs	
Northern Judicial District:	Donald R. Knight	Lore M. Mirwaldt
Lay Benchers:	Anita Neville	James Toal
	William Shead	Val Werier
	(appointed for a two year term)	
Faculty Benchers:	Dean Roland Penner, Q.C.	Professor Karen Busby
	(appointed for a two year term)	
University Bencher:	Elizabeth Tutiah	
	(appointed for a one year term ending May, 1990)	
Student Bencher:	Donna Unruh	
	(elected for a one year term ending September, 1990)	

Life Benchers

Eastern Judicial District:	Judge F.D. Allen	Judge J.P. Guy
	R. Anderson	G.T. Haig, Q.C.
	D.G. Baizley, Q.C.	A.D. MacInnes, Q.C
	G.G. Brodsky, Q.C.	H.B. Monk, Q.C.
	H. Buchwald, Q.C.	Hon. P.S. Morse
	A.L. Campbell, Q.C.	E.W. Olson, Q.C.
	J.M. Chapman, Q.C.	C. Pappas, Q.C.
	J.G.B. Dangerfield, Q.C.	A.A. Rich, Q.C.
	Hon. R.G.B. Dickson	P.W. Schulman, Q.C.
	I. Dorfman, Q.C.	Hon. R.J. Scott
	K.B. Foster, Q.C.	Hon. V. Simonsen
	D.G. Frayer, Q.C.	A. Sweatman, Q.C.
	M.H. Freedman, Q.C.	D.A. Thompson, Q.C.
	Hon. G.R. Goodman	H. Walsh, Q.C.
Central Judicial District:	J.A. Duncan, Q.C.	C.P. Sing
Western Judicial District:	F.O. Meighen, Q.C.	D.D. St. John, Q.C.

Ex-Officio Benchers

Hon. Kim Campbell — Hon. James McCrae

Law Society Staff

Chief Executive Officer - Deborah J. McCawley, Q.C.
Deputy Chief Executive Officer - Donald B. Macri
Counsel - Judith Webster (appointed to Bench May 31, 1989)
Counsel - Jannine LeMere (from August 14, 1989)
Staff Solicitor - Dianna Scarth
Comptroller - Ryan Sasaki
Auditor-Inspector - Gordon Jones
Assistant Auditor-Inspector - John McFarlane
Paralegal - Grace Page
Secretary to the Benchers - Coleen Liewicki
Secretary - Rebecca de Castro
Secretary - Ellie Turner
Secretary - Patricia Wright
Secretary - Jennifer Tribula
Secretary - Hazel McKague
Secretary - Pat Stepanuik
Receptionist - Lorraine Hagen

Legal Studies Department

Director - Morley Gorsky (resigned June 30, 1989)
Director - Freda Steel (from July 1, 1989)
Assistant Director - Margaret Anne McLeod (resigned August 25, 1989)
Assistant Director - Eve Finnbogason (from August 1, 1989)
Lawyer Editor - Lori Ferguson-Sain (resigned January 31, 1990)
Program Coordinator and Registrar/Secretary - Anna Faulkes
Secretary - Lynn Flynn (from November 27, 1989)

Legal Services Information and Lawyer Referral Services

Supervisor - Mary Troszko

MEMBERSHIP

Sixteen hundred and sixty certificates were issued for the practising year ending March 31, 1990.

The active membership of the Society as of March 31, 1990, stood as follows:

In Metropolitan Winnipeg, practising members	1380
In Manitoba, other than Metropolitan Winnipeg	212
Outside Manitoba, members holding practising certificates	43
	1635

Members paying the special non-practising fee:

In Metropolitan Winnipeg	103
In Manitoba, other than Metropolitan Winnipeg	12
Outside Manitoba	161
	276

The number of practising members in Manitoba as of 31st of December in 1932 was 603. The figures for other years are as follows:

1950 - 551	1974 - 837	1982 - 1,282
1955 - 636	1975 - 910	1983 - 1,304
1965 - 683	1976 - 967	1984 - 1,336
1966 - 702	1977 - 1,105	1985 - 1,387
1968 - 704	1978 - 1,083	1986 - 1,483
1970 - 723	1979 - 1,169	1987 - 1,526
1971 - 746	1980 - 1,213	1988 - 1,548
1972 - 776	1981 - 1,252	1989 - 1,609
1973 - 795		

and as of March 31, 1990 - 1635.

In addition to members paying annual fees there are many who are not in active practice whose names remain on the Rolls. Some hold judicial appointments or official positions, some are in other professions or businesses, many are practising in other Provinces and others are retired.

The following were granted permission by the Executive and Finance Committee to appear before the Courts in Manitoba on an occasional appearance:

Robert J. Allen	Timothy E.G. Fellowes, Q.C.	David Migicovsky
William S. Berardino, Q.C.	Franklin S. Gertler	Eric P. Polten
Mitchell B. Cohen	Jeffrey D. Glatt	James E. Redmond, Q.C.
George E. Crowe	Paul W. Halprin, Q.C.	Charles F. Scott
Thomas J. Dunne, Q.C.	David C. Harris	Diane H. Soroka
Susan M. Eyre	Peter W. Hutchins	Charles R. Stewart

The following members were called to the Bar and admitted as solicitors during the period under review:

Richard M. Alcock
Nancy I. Anderson
Ross A. Antymniuk
Linda S. Barker
Mark R. Beard
Elizabeth E. Beaupre
Evelyn S. Bernstein
Stuart J. Blake
Lisa C. Bohonos
Peter J. Bruckshaw
Mark C. Carter
Caroline J. Cortens
Phillip F. Cramer
Kathlyn M. Curtis
Joyce Dalmyn
David H. Davis
Remo P. De Sordi
Lorelei C. Dobbie
Suzanne M. English
Eva B. Eva
Catherine E. Finnbogason
Anthony C. Fletcher
John R. Fryatt
Delano K. Fullerton
Kimberley Gilson
Arnold A. Goodman*
Lynda L. Grimes
Ronald V. Hampel*
Thor J. Hansell
Glen M. Harasymchuk
John G. Harrison
Morley A. Hoffman
Randall A. Horton
Carolyn D. Hunt
Joseph Imbrogno
Janet L. Jeffrey
Joseph J. Jourdain
Jayne L. Kapac
Joel I. Katz
Andrew P. Kelly
Heather J. Kemkaran
Jeffrey E. Kitchen
Kimberley G. Laycock
Jordan L. Lee-Wing
Guy J. Le Madec
Brian D. Lerner
James C. Ludlow
Michelle P. Mann
Demetra S. Matthews
Paul R. McKenna
Tracy K. McKim
James E. McLandress
Carla L. McLean
Cathryn D. McVeigh
Steven M. Merrick
Albina P. Moran
Suzette J. Narbonne
Graham R. Nattress
Glen L. Nazaruk
Lance A. Norman
Moses Okimaw
Thomas S. Onyshko
Daniel J. Overall
Barbara C. Palace
Breta M. Passler
Yvonne J. Peters
Eugene M. Peterson
Heather L. Proven
Paul W. Quantz*
Patricia J. Ramage
Gregory W. Reage
Margaret D. Redmond
Melanie J. Reimer
Pamela G. Reimer
Marianne Rivoalen
Diana M. Rooswinkel
Sheldon D. Rosenstock
Janet L. Ross
Noreen C. Schroeder
Sandip Sett
Grant M. Solar
Maury C. Stephensen
Bruce W. Syme
Dennis G. Valdron
Timothy J. Valgardson
Jon W. van der Krabben
Paul S. Vyamucharo-Shawa
Michael J. Williams
Teresa F. Wong
Anita R. Wortzman

* denotes transfer

The Benchers record with regret the death of the following members during the period under review:

Sydney R. Cramer
Ernest A. Guld
Isabel Ross Hunt, Q.C.
The Hon. C.I. Keith, Q.C.
Alexander G. Lawrence
Leslie H. Murphy
W. Grey Richardson, Q.C.
Ivan C. Robison
Gerald St. Geo. Stubbs
Richard T. Willis
Raymond F. Wyrzykowski

During the year under review the following barristers were appointed Queen's Counsel:

Holly C. Beard
Donald P. Bryk
James G. Donald
Chrysostomos Pappas
John M. Scurfield
Robyn W. Singleton
Frank N. Steele
Roderick E. Stephenson
Stuart J. Whitley

Appointed Queen's Counsel by the Federal Minister of Justice:

David R. Sellen

SOCIETY'S COMMITTEES

At its meeting of May 25, 1989, the Benchers established the following committee memberships to serve the Society until May, 1990.

Note: The President and Vice-President are ex-officio members of all committees except the Judicial Committee.

Executive and Finance Committee

Scurfield (Chairperson)
MacArthur (Vice-Chairperson)
Bass
Cuddy
Dewar
Gilmour
Hamilton
Klein
Little
MacInnes
Shead, R.
Toal
Weinstein
Wood

Discipline

Klein (Chairperson)
Scurfield
MacArthur
Abra
Busby
Combs
Deeley
Hamilton
Irwin
Little
Menzies
Miller
Neville
Prober
Toal
Ward

Standards

Wood (Chairperson)
Knight (Vice-Chairperson)
Scurfield
MacArthur
Anderson, J.*
Clearwater*
Cuddy
Donald*
Fien
Hilder*
Lee
Liffman*
Lucas*
Morton*
Penner
Saper*
Shead, W.
Sims
Wilder*

Personnel and Fiscal Management

Little (Chairperson)
Scurfield
MacArthur
Combs
Klein
Neville
Weinstein

Judicial

Dewar (Chairperson)
McCaffrey (Vice-Chairperson)
Anderson, R.
Baizley
Brodsky
Buchwald
Campbell, A.
Campbell, D.
Chapman
Dangerfield
Duncan
Foster
Frayer
Gilmour
Gindin
Haig
Mirwaldt
Pappas
Pauls
Rich
St. John
Schulman
Shead, R.
Sing
Sweatman
Taylor
Weinstein
Werier

Admissions and Education

Bass (Chairperson)
Hamilton (Vice-Chairperson)
Scurfield
MacArthur
Cuddy
Deeley
Fien
Irwin
Lee
Miller
Mirwaldt
Pauls
Penner
Toal
Tutiah
Unruh
Werier
Wood

Professional Liability Claims Fund

Shead, R. (Chairperson)
Fien (Vice-Chairperson)
Scurfield
MacArthur
Bass
Campbell, D.
Dewar
Hill*
McCaffrey
Menzies
Prober

Constitution

Gilmour (Chairperson)
Taylor (Vice-Chairperson)
Scurfield
MacArthur
Abra
Adams*
Campbell, D.
Combs
Cuddy
Dangerfield*
Graham*
Knight
Monnin*
Pauls
Shead, W.
Sheldon*
Smith*
Ward

Ethics and Professional Responsibility

Dewar (Chairperson)
Scurfield
MacArthur
Booth
Busby
Gindin
Jensen*
Langtry*
Miller
Munro*
Neville
Sardiwalla*
Weinstein
Werier

Reimbursement Claims Fund

Chapman (Chairperson)
McCaffrey (Vice-Chairperson)
Anderson
Foster
Gordon*
Mirwaldt

Legal Data Resources (Manitoba) Corporation Board - Appointees

Bass
Cherniack*
Coke*
Gillespie*
Shead, R.

Special Committee on Integration of the French Language - Appointees

Anderson, T.
Freedman*
Little

Graeme Garson Fund

Shead, R. (Chairperson)
Penner
Tolton
Unruh

C.B.A. Code Review

Foster
Langtry*
Lee
Werier

Special Committee on Custodianships

Sweatman (Chairperson)
Crane*
Glowacki*
Leslie*
Ward

Special Committee on Prepaid Legal Services Plans

MacArthur (Chairperson)
Dewar
Little
McCaffrey

Library Users

Sims (Chairperson)
MacArthur

Legal Aid Liaison

Irwin (Co-Chairperson)
Mirwaldt (Co-Chairperson)

Public Relations

Cuddy (Chairperson)
McCaffrey (Vice-Chairperson)
Booth
Campbell, D.
Pauls
Shead, W.
Ward

Manitoba Law School Foundation - Appointees

Klein (Chairperson)
McCawley (Secretary/Treasurer)
Chapman

Law Phone-In/Lawyer Referral

Toal (Chairperson)
Ward (Vice-Chairperson)
Pauls

Canadian Lawyers Insurance Association

Shead, R.

* denotes non-bencher

COMMITTEE REPORTS

Executive and Finance Committee

John Scurfield, Q.C.
President

■ The Executive and Finance Committee is responsible for the general supervision of all business of the Society. More specifically, it is responsible for the preparation of the Society's budget, approved annually by the Benchers, for the management of the Society's finances during the year, and for all matters not specifically assigned by the Society's Act or Rules to a standing or special committee of the Society.

In the past year, with respect to the budget process, the Executive and Finance Committee made a commitment to maintaining the budget at a level which would not require any substantial increases in the levy upon members. In spite of the increasing pressure upon the resources generated by the current fees charged to members, the committee was successful in drafting and having the Bench approve a budget which did not involve significant increases in fees. However, the profession should be advised that the process of self-governing is becoming increasingly complex. Constant attacks by the media and by disaffected members of the public have provided us with a significant challenge. The committee has devoted a significant amount of its time to addressing that challenge. Suffice it to say that our goal is to strive for excellence in self-government so as to survive the scrutiny of the media and the public in order to maintain our independence for the future. In light of the current media-driven attack upon our public image, consideration was given to hiring a Public Relations Consultant. After numerous interviews and discussions, a report was received from our committee and it was determined that as a first step we should secure training for Executive in dealing with the media and we should have our publications and pamphlets reviewed and re-issued. A special sub-committee was struck to study the question of openness in hearings of our Judicial Committee. This goal will no doubt require additional time from your elected Benchers and professional staff with concomitant costs in the future.

The Society continued to maintain its cooperative working relationship with the Attorney General throughout the past year. Its Executive Officers met with the Attorney General and members of his staff on a regular basis to discuss a variety of issues affecting the legal profession and the administration of justice in Manitoba. We wish to express our appreciation to the Attorney General for his ready accessibility and cooperation.

We obtained two important amendments to our Act during the past year. The most important amendments dealt with the creation of a new electoral area for the rural practitioners in eastern Manitoba. In addition, we now have the statutory right to place members of the profession who have not been elected as Benchers on committees of the Society. This informal practice has proved most

valuable to the Benchers in the past. It allows us to obtain the services and insight of volunteer members of the profession who have special skill and knowledge to offer our committees.

The Society's Professional Liability Insurance program continued but in an expanded and we believe improved form. Our Society's members have now been a member of the Canadian Lawyers Insurance Association since July 1st, 1988. Our first year experience was extremely positive. As a result, our insurance levy for the second 12 month year, as is included in this year's fee package was $960.00 per year. This premium did not reflect any increase over the previous year. Moreover, members now enjoy insurance coverage up to $1,000,000 per occurrence. Clearly, there has been a substantial saving to members by becoming self-insured to date.

The Society has also agreed to support the new non-profit subsidiary named Lawyers Excess Liability Insurance of Manitoba (LELIM), which has made available to Manitoba lawyers excess liability coverage from $1,000,000 to $5,000,000. This has required additional staff time in order to assist with the marketing and placing of this excess coverage. However, the coverage which is provided is excellent and once again promises to keep private insurance companies competitive in a field where all of our members were being exposed to substantial rate increases in the past. To date we have had a successful experience and trust that our members will again be supportive of our program.

The Society continued to move in the direction of reforming and upgrading the Bar Admission course. We were fortunate to retain the services of Prof. Freda Steel effective July 1st, 1989. Since that date, she has taken control of our program and, with the able assistance of Eve Finnbogason, the program has experienced substantial improvements.

The Society continued to be supportive of the Legal Data Resources Corporation, which was designed to provide a service to all the lawyers in this province so as to receive speedy access at a reasonable cost to the now computerized Government departments, which most law firms need to access on a daily basis. As yet, we have not had the subscription basis from lawyers that was anticipated. However, there has been a gradual increase in interest and utilization which we anticipate will lead to a positive cash flow in the near future. We remain concerned as the Executive and Finance Committee and we intend to monitor this situation closely.

Your Executives attended meetings of the Federation of Law Societies at which time major issues relating to lawyer advertising in the Charter as well as to inter-jurisdictional law firms in practice were considered. The latter issue is one of national importance which no doubt will require significant changes to our existing rules. The matter is currently before the Bench and we await the final report from the Federation of Law Societies.

The Society's financial condition remains sound and your elected Benchers continue to fulfill their mandate to the public and the legal profession to the best of their ability with the assistance of non-bencher members of the profession.

Discipline Committee

Bryan Klein
Chairperson

■ There were twenty-seven meetings of the Discipline Committee between April 1, 1989, and March 31, 1990. The committee considered four hundred and sixty-one complaints - two hundred and thirty of which appeared on the "B" Agenda while the remaining two hundred and thirty-one were more serious matters which appeared on the "A" Agenda. The committee also responded to twenty-nine requests from lawyers for advice and direction concerning questions of proper professional conduct, and dealt with forty-two matters which related to spot audits or Annual Solicitors' Reports.

The majority of complaints reviewed were submitted by clients against their own lawyers; however, approximately fifteen percent of the complaints were received from other lawyers or members of the judiciary. The most commonly expressed allegations were lack of communication; delay and excessive fees.

The Discipline Committee authorized charges against twenty-one lawyers and issued formal cautions to six members. Three members made assignments in bankruptcy and were permitted to continue to practise subject to certain conditions. One member was suspended and on an interim basis but was subsequently allowed to practise under the supervision of another lawyer. Two custodial orders were obtained.

The committee issued four practice directions regarding free initial consultations; a lawyer's obligation to remit holdings to Revenue Canada; acting for more than one client and a lawyer's obligation when leaving a firm.

Standards Committee

Gavin Wood
Chairperson

■ The Standards Committee held ten meetings between the period April 1, 1989, and March 31, 1990. During that period the committee considered twenty matters relating to the competence of members, in addition to four other issues (the legal lawyers assistance program, the practice advisory committee, continuing legal education and remedial courses.)

The committee appointed six subcommittees - five to meet with members for a "fireside chat" and two members were designated to sit on the CLE Committee, a subcommittee of the Admissions and Education Committee. The committee recommended that four members register for the seminar in the spring. The committee agreed to make two members of the Standards Committee available to assist a junior practitioner in the event that she requests assistance in dealing with her practice. The committee designated two of its members to assist an elderly practitioner in retiring and winding down his practice.

Two matters were referred back to the Discipline Committee.

Several matters remain under review by the Standards Committee.

Judicial Committee

Robert Dewar
Chairperson

■ The Judicial Committee met on several occasions between April 1, 1989 and March 31, 1990. During those meetings, the following matters were resolved:

1. On April 26, 1989, the Judicial Committee found a member not guilty of a charge that the member failed in his duty of courtesy and good faith to a fellow lawyer.

2. On September 7, 1989, the Judicial Committee commenced an inquiry into certain charges against a member.

   However, due to the procedures that had been followed, the committee dismissed the charges contained in the Citation.

3. On October 3, 1989, the Judicial Committee accepted a plea of guilty to a charge of professional misconduct from *Samuel Norman Rosenbaum* in that he failed to conform with the requirements of certain of the Rules respecting accounts, being Rules numbered 61 to 69. As a result, the Judicial Committee ordered that the member be reprimanded, be fined $1,000.00 and pay costs of $100.00 inclusive of disbursements. Publication to the profession was ordered.

4. On October 6, 1989, the Judicial Committee held an inquiry into charges of professional misconduct against *Robert Peter Olynyk*, the particulars of which charges were as follows:

   - failure to comply with a trust condition;
   - failure in his duty to act with integrity and candour with respect to his fellow lawyer;
   - failure to act promptly to remedy a breach of trust;
   - failure in his duty to act with integrity and candour with respect to his dealings with The Law Society of Manitoba; and
   - using intemperate language in a letter written on behalf of a client which letter tended to bring the legal profession into disrepute.

   In consequence, the Judicial Committee resolved that Mr. Olynyk be found guilty of all five charges and that:

   - as regards Counts 1 and 2, Mr. Olynyk be reprimanded;
   - as regards Count 3, Mr. Olynyk be assessed a fine in the amount of $500.00;
   - in respect of Count 4, Mr. Olynyk be fined $1,000.00;
   - in respect of Count 5, Mr. Olynyk be fined $750.00;
   - Mr. Olynyk do pay the costs of $1,000.00;
   - the said costs and fines were to be paid by Mr. Olynyk to the Society within six (6) months of the date of the hearing;

- the committee also referred Mr. Olynyk to a Standards Committee with respect to his conveyancing practice.

5. After an inquiry held on October 24 and 25, 1989, the Judicial Committee found *Robert John Douglas McRoberts* guilty of professional misconduct in that he failed in his duty to a client of his law firm and failed to comply with an undertaking to a Provincial Court Judge. As a result, McRoberts was reprimanded, fined $2,000.00, and assessed costs of $1,000.00. An appeal from this decision was rejected by the Manitoba Court of Appeal on February 9, 1990.

6. On October 26, 1989, the Judicial Committee accepted a plea of guilty from *John Wellington Wilson* to two counts of professional misconduct, the first being failure to respond to a 14-day letter from the Society requesting payment of a penalty for late payment of fees and the second being failure in his duty to treat the Court with courtesy and respect by failing to appear to withdraw as solicitor of record.

   In consequence, the Judicial Committee resolved that:

   - Mr. Wilson be reprimanded with respect to both charges; and
   - Mr. Wilson be assessed costs in the amount of $350.00 to be paid immediately.

7. On October 26, 1989, the Judicial Committee accepted a plea of guilty from *Donald Neil MacIver* to two counts of professional misconduct, the first being failure to comply with the requirements of Rule 63(a) by failing to ensure that monies received for fees were deposited in a trust bank account and second, failure in his duty to his client to advise of his withdrawal as a partner in a law firm and to provide his client with options available respecting retaining of counsel.

   In consequence, the Judicial Committee resolved that:

   - Mr. MacIver be reprimanded with respect to both charges; and
   - He be assessed costs in the amount of $100.00.

8. On November 2, 1989, the Judicial Committee held an inquiry and determined the member to be not guilty of charges relating to conflict of interest and failing to treat the Court with candour, fairness, courtesy and respect.

9. On November 23, 1989, after an inquiry, the Judicial Committee found *Edward Shelley Partington* guilty of professional misconduct with respect to a breach of a trust condition and a failure to act promptly to remedy same. In consequence thereof, the committee resolved that Mr. Partington be suspended for six (6) months up to and including June 27, 1990 and that his practising certificate be cancelled on that date and a new certificate not be issued unless he appeared before the Standards Committee and satisfied that committee that he was fit to practice law. The member was also ordered to pay costs in the amount of $300.00.

10. On December 11, 1989, the Judicial Committee met and held an inquiry into 31 charges against a member, *Donald Melvin Dunlop*, which charges involved:

- failing to serve certain specified clients in a conscientious, diligent and efficient manner;
- failing in his duty of candour, courtesy and good faith, both to a member of the public and to the Discipline Committee;
- failing to obey the Rules of the Law Society respecting accounts;
- on numerous occasions, transferring monies from his trust account to his general account without rendering a bill for such fees before the money was transferred;
- misappropriating trust monies on several occasions;
- charging fees to clients which were not fair and reasonable;
- failing to care for property of certain Estates for which he was acting.

After a hearing into the charges, the committee found Mr. Dunlop guilty in respect of the charges contained in the Citation and resolved to disbar Mr. Dunlop from practising law in the Province of Manitoba and directed that his name be struck from the Rolls of The Law Society of Manitoba. The committee also ordered that Mr. Dunlop pay costs in the amount of $30,603.45 representing $6,000.00 for the investigation and hearing, and $24,603.45 representing the fees of the Custodian of Mr. Dunlop's practice.

11. On December 18, 1989, the committee accepted a plea of guilty from *William Gavin Webster* to the following charges, namely:

- failing to advise a client of her right to obtain independent legal advice, and failing to requisition and obtain a Certificate evidencing that his client received independent legal advice with respect to a certain loan transaction, contrary to Rule 71(1)(b);
- failing to notify the governing body with respect to a judgment entered against him contrary to Rule 70(2) of The Law Society of Manitoba;
- failing to reflect a personal loan from a client in his Form D - Borrowing Declaration contrary to Rule 66 of The Law Society of Manitoba.

As a consequence, on March 14, 1990, the committee resolved that:

- Mr. Webster be fined $5,000.00, to be paid on or before March 31, 1992; and
- Mr. Webster pay the costs of the proceedings in the amount of $200.00, to be paid on or before March 31, 1992.

12. On January 5, 1990, the Judicial Committee accepted a plea of guilty from *Harry Yanofsky* in relation to breaching the Rules with respect to accounts and failing to remit interest earned on a trust account to the Minister of Finance and/or The Manitoba Law Foundation contrary to s. 39(2) of *The Law Society Act*. As a consequence, Mr. Yanofsky was reprimanded.

13. On January 11 and 12, 1990, the Judicial Committee conducted an inquiry into charges against *Nathan Shuckett* in that:

- he failed in his duty to be frank and candid with the governing body;
- he permitted his wife to sign as a witness to the execution of two wills when his wife was not present when either of the wills was executed, and that he swore a false affidavit attesting to the presence of his wife at the execution of the wills;
- he placed himself in a conflict of interest situation when acting for both the lender and the borrower on a loan that he had arranged;
- he acted for the lender and the borrowers of a loan without availing them of the opportunity to obtain independent legal advice;
- he neglected his duty as a solicitor to fully report to his clients.

As a result, the Judicial Committee resolved that:

- Mr. Shuckett be suspended for a period of two (2) years from the date of the judgment;
- Mr. Shuckett pay a fine in the amount of $2,500.00 forthwith;
- Mr. Shuckett pay costs in the amount of $750.00;
- publication was ordered to the profession.

14. On Friday, January 26, 1990, the Judicial Committee accepted a plea of guilty from *Gregory Welch* with respect to two (2) counts of professional misconduct, the first being with respect to a transfer of fees from trust without first rendering a bill and the second being his failure in his duty to charge a fee which is fully disclosed, fair and reasonable.

In consequence, the Judicial Committee resolved that the member:

- be reprimanded with respect to both counts; and
- pay costs of $50.00.

15. On February 2, 1990, the Judicial Committee accepted a plea of guilty from *David Allan Guttman* to charges that:

- he failed in his duty to serve his client in a conscientious, diligent and efficient manner by failing to attend a scheduled preliminary inquiry on November 30, 1988 because he was ill from over-consumption of alcohol;
- failed in his duty to treat the Court with courtesy and respect by failing to attend a scheduled preliminary inquiry on November 30, 1988 because he was ill from over-consumption of alcohol;
- failed in his duty to treat the Court with candour, fairness, courtesy and respect when he advised the Court on December 7, 1988 that he was unable to attend the preliminary hearing on November 30, 1988 having been detained in Vancouver due to circumstances beyond his control when he knew the statements were false.

As a consequence, the Judicial Committee resolved:

- the member be suspended for two (2) months effective thirty (30) days from the date of the hearing;
- the member pay costs within thirty (30) days in the amount of $300.00;
- publication to be made to the profession.

16. On Thursday, March 15, 1990, the Judicial Committee held an inquiry into charges against a member for failing in his duty of candour to the Court and attempting to pervert the due administration of justice and found the member not guilty of the charges.

Court Decisions:

1. On September 8, 1989, the Manitoba Court of Appeal dismissed an appeal by *David Morley Pearlman* from a decision of the Judicial Committee wherein Mr. Pearlman had been found guilty of conduct unbecoming a barrister and solicitor. The decision of the Court of Appeal has been appealed and leave has been granted to the Supreme Court of Canada.

2. On September 22, 1989, the Manitoba Court of Appeal set aside a decision of the Judicial Committee and found the member, *Christian Malburg*, not guilty of a charge of professional misconduct.

In April of 1990, the Manitoba Court of Appeal in a decision styled *The Law Society of Manitoba v. Robert Douglas McRoberts and the Judicial Committee of The Law Society of Manitoba*, held that the Law Society could not challenge in Court a decision of the Judicial Committee whereby certain charges against the member have been dismissed by the Judicial Committee.

As Chairperson of the committee, I would like to extend my great appreciation to those members of the profession who have taken time out from their busy schedules to adjudicate on the cases which have come before the Judicial Committee. In order for a self-governing body to regulate itself, a commitment is required from its members to take the time and effort to assist, and I am happy to say that the members of the committee this past year have been most generous in the time and the assistance which they have provided.

Correction to Annual Report

In its Annual Report to the Profession for the year ended March 31, 1990, the Society inadvertently and incorrectly stated that "the Manitoba Court of Appeal dismissed an appeal by David Morley Pearlman from a decision of the Judicial Committee wherein Mr. Pearlman had been found guilty of conduct unbecoming a barrister and solicitor".

In fact, Mr. Pearlman had not been found guilty of conduct unbecoming a barrister and solicitor. At the outset of an Inquiry into charges of conduct unbecoming a barrister and solicitor proffered by the Society against Mr. Pearlman, challenges to the jurisdiction of the Judicial Committee were made on behalf of Mr. Pearlman. The Judicial Committee rejected the challenges. Subsequently Mr. Pearlman applied to the Court of Queen's Bench for an order prohibiting the Society from proceeding with the Inquiry, but was unsuccessful. An appeal therefrom to the Court of Appeal of Manitoba was taken and was dismissed on September 8, 1990. Mr. Pearlman sought leave and was granted leave to appeal to the Supreme Court of Canada and that appeal has yet to be argued.

The Society and the then Chairman of the Judicial Committee regret any embarrassment which may have resulted to Mr. Pearlman from this error and extend their sincere apology.

Professional Liability Claims Fund Committee

Richard Shead
Chairperson

As Chairperson of the Professional Liability Claims Fund Committee I respectfully submit this committee's year end report as to its activities for the past year.

As the Benchers are aware, Manitoba is a founding subscriber to the Canadian Lawyers Insurance Association ("CLIA") and through that investment provides a minimum of $1,000,000 of mandatory professional liability insurance through CLIA.

The Society retains $250,000 of the initial $1,000,000 risk with the remaining $750,000 being insured by CLIA itself, as well as CLIA providing a stop loss to the annual total cost the Society can incur in respect of its portion of the risk.

Currently, the Society is operating two separate Claims Fund insurance arrangements, namely:

- the pre-CLIA fund where the Society had no reinsurance;
- the current CLIA arrangement.

As the pre-CLIA arrangements wind-down, the available surpluses, if any, are being transferred over to the ongoing Claims Fund and as a result the 1990 - 91 Professional Liability Insurance assessment against the members of the Society was reduced by the sum of $114.01 per lawyer.

The experience for the current year ending March 31, 1990 was favorable and as a result the Society has, as at March 31, 1990 built up a credit in its account with CLIA of approximately $250,000, based on discounted reserve calculations.

The committee continues to express its concern about the need for additional efforts by the Society in the area of claims prevention and, therefore, looks forward with anticipation to the new prevention handbook which has been developed by CLIA and which will be distributed to all Benchers prior to June 1, 1990.

In conclusion, I would like to take this opportunity of thanking all members of the Claims Fund Committee, the staff of the Society, and our adjuster, Len French whose efforts may sometimes go unacknowledged but were essential to the successful operation of our Claims Fund committee over the past year.

Admissions and Education Committee

George Bass, Q.C.
Chairperson

■ The Admissions and Education Committee met approximately once per month over the year. The committee has responsibility in the following areas:

- Bar Admission Course
- Continuing Legal Education
- Admission Matters - resumption of active practice of members not currently holding active certificates and direct transfer from active practice outside of Manitoba.

Bar Admission Course

The 22nd Bar Admission Course began in May, 1989. Eighty-seven students were enroled in the course. Eighty-six students were called to the Bar on June 19, 1989 at the annual special sitting of the Queen's Bench, held at the Centennial Concert Hall in Winnipeg.

The A. Montague Israels Prize for the outstanding student in the 22nd Bar Admission Course was awarded to *Heather Louise Proven* by Justice Simonsen. The Student Bencher elected by the Bar Admission Students was *Ross Antymniuk*.

The present committee met in June, 1989 to deal with a situation in which a principal had declined to give an unconditional certification of a student otherwise eligible for call to the Bar. After a full hearing, at which the student was represented by counsel, the committee resolved that the student be allowed to be called subject to conditions.

The 23rd Bar Admission Course began in July, 1989. There were 83 students registered of whom 4 subsequently withdrew. The Student Bencher elected by the class is *Donna Janovcik*. The Course will end in June, 1990.

There were two major thrusts in the Bar Admission Course this year. First, efforts were made to continue the development of skills training throughout the Bar Admission Course. At present, every course except that of Accounting and Tax has a substantial portion of teaching done by way of seminars and skills exercises. New course heads were hired for Criminal Procedure, *Heather Leonoff* and for Administrative Advocacy, *Arne Peltz*. Second, the position of Publications Editor was made a permanent staff position. *Avis Raber* and *Ellen Henry* were hired to fill this position on a job-sharing basis. The addition of a staff member will allow work on the Bar Admission Course materials to continue. Materials are presently being computerized and significantly rewritten. We believe the quality of the materials is substantially increasing from year to year.

Continuing Legal Education

A new Assistant Director, *Eve Finnbogason*, was hired this year. For the first time, the Assistant Director was asked to become primarily responsible for Continuing Legal Education in an effort to upgrade the number and quality of programs being offered. Distribution of materials was enhanced due to more active advertising and a higher quality of production. Attendance by practitioners at continuing legal education programs in total and per individual program increased over the preceding year.

The Legal Studies Office has begun a variety of initiatives directed particularly toward Continuing Legal Education. First, a committee under the Chair of *Mr. Justice Schwartz* was struck by and through a joint recommendation of the Admissions and Education Committee and the Standards Committee. The mandate of the committee was to examine the future role of Continuing Legal Education in Manitoba. The committee met throughout the year and is expected to submit a report shortly. Second, special attention was paid to Continuing Legal Education in the rural areas and a number of initiatives have begun in that area, including appointing local coordinators in the Western and Northern areas of the province to facilitate and encourage legal education in those areas. In addition, special initiatives are being taken to plan for education programs in areas such as advocacy training and computer courses.

The Legal Studies Office hopes to develop more long range planning for Continuing Legal Education which would involve the development of more extensive materials and a wider variety of programs. In addition, certain capital improvements were made to improve the quality of programming. A new sound system was installed. A new overhead projector and a new photocopy machine were purchased.

The committee also considered it to be part of its mandate to encourage other organizations to sponsor legal education programs which would be of interest to our membership. Consequently, grants were made to the Association of Family and Conciliation Courts to videotape an international conference being held in Winnipeg in May, 1990. A grant was also made to the Faculty of Law to assist in their Legal History Conference held in March, 1990.

A summary of presentations offered from April, 1989 to March 1990 follows. In addition, there is available a list of all written publications sold over the year. Anyone interested in obtaining this list should phone the Legal Studies Office and a copy will be sent out to them.

C.L.E. Seminars - April 1, 1989 - March 31, 1990

Name of Program	*No. of Registrants*	*Cost*	*Revenue from Program*
Tax for Everyday Practice	143	$ 50.00	$ 6,370.00
• October 5, 1989		35.00	
How to Make A Record	46	20.00	920.00
• October 19, 1989			
Representing the Mentally Disabled Client	18	20.00	360.00
• November 8, 1989			
Use (And Abuse) of Surveys in	51	40.00	2,130.00
Real Estate Transactions		30.00	
• November 25, 1989		20.00	
Understanding Computer Title Searches	123	20.00	2,460.00
• November 29, 1989	134		2,680.00
• February 13, 1990			
Fees and Costs	71	40.00	2,276.00
• January 13, 1990		30.00	
		20.00	
Immigration Law Update	51	55.00	2,190.00
• January 20, 1990		40.00	
		25.00	
Famous Cases	37	20.00	740.00
Representing Young Offenders	23	40.00	840.00
• March 10, 1990		20.00	
Child Protection - How to Prosecute and Defend	29	40.00	1,160.00
• March 31, 1990		20.00	
Sub-Total			**$22,126.00**

Special Programs

Name of Program	*No. of Registrants*	*Cost*	*Revenue from Program*
Inns of Court • Motions - September 11, 1989 • Direct and Cross-Examination - October 2, 1989 • Ethics - October 23, 1989 • Discovery - November 13, 1989 • Appeals - December 4, 1989	38	$125.00	$ 4,750.00
Domestic Violence • December 8, 1989	50	Program for the Crown Attorneys	
Western Bar Seminar • September 15, 1990	29	20.00	380.00
**Hawaii Conference • March 2, 1990	5	285.00	1,425.00
**1989 Pitblado Lectures • April 14 & 15, 1989	198	150.00	27,700.00
Hecla Island Advocacy Program • May 10 - 13, 1989	24	375.00	9,000.00
Total			**$36,256.00**

***Costs are not included in total.*

Admission to the Bar of Manitoba

The committee dealt with a number of requests for the resumption of active practising certificates. Each application was dealt with on an individual basis and depending on the circumstances, applications were granted without conditions or with condition that the lawyer practice under the supervision of another lawyer or write a qualifying examination or repeat the articling year. By virtue of an analysis of past decisions of the committee and by virtue of the debate involved in determining those applications, certain guidelines were established.

A committee of lawyers specializing in a variety of fields updated the transfer examination.

Legal Studies Office

The Legal Studies personnel works with other Law Society committees including the Standards Committee, Montague Israels Prize Committee, The Executive and Finance Committee. They also liaise with other legal education providers including the Manitoba Bar Association, The judicial legal education committees, The Canadian Association of Legal Education Directors, The Association of Continuing Legal Education Administrators, Western Judicial Education Centre, the Winnipeg Association of Legal Secretaries and Support Staff and the Faculty of Law.

Professor Morley Gorsky served as Director of Professional Standards and *Margaret Anne MacLeod* served as Assistant Director of Professional Standards until June 30, 1989. *Professor Freda Steel* assumed the new position of Director of Professional Education on July 1, 1989 and *Eve Finnbogason* became Assistant Director of Professional Education on August 1, 1989. *Anna Faulkes* continued in the capacity of secretary-registrar throughout the year. *Lynn Flynn* was hired on a part - time basis on December 1, 1989 to begin the huge task of entering the Bar Admission Course material onto the new computers now present in the Legal Studies Department. As has already been mentioned, Avis Raber and Ellen Henry were hired on April 1, 1990, to job-share the position of publication editor.

I wish to express my gratitude to the members of the Committee who have given so generously of their time and talents to the work of the committee.

Prizes and Scholarships

Margaret Hypatia Crawford Scholarship (Highest Standing in Final Year)	Patrick Fitzpatrick
Second Prize	Timothy A. Kurbis
Third Prize	Gary Dolovich
Fourth Prize	Holly Penner

University of Manitoba - Faculty of Law Enrolment - 1989-90

First Year	(including 6 half-time)	97
Second Year	(including 4 half-time)	90
Third Year	(including 1 half-time)	85

Constitution Committee

Gary Gilmour
Chairperson

■ The Constitution Committee is responsible for updates and revisions to *The Law Society Act* and Rules, and as well deals with incidents of unauthorized practice. The bulk of the work of the committee consists of the formulation of recommendations to the Benchers as to matters which may require revision, and the review of draft changes to the Act and rules prior to their presentation to the Benchers. During the past year, the committee has dealt with a number of matters affecting both the workings of the Law Society and the practice of law.

Act Amendments

Amendments to *The Law Society Act* affecting the work of the Law Society itself have been recommended as follows:

- A change would reduce the number of elections at which an elected Bencher has to be elected so as to qualify as Life Bencher from five elections to four elections, and would reduce the requirement for completed terms of office from five to four;

- In order to facilitate the formation of quorums for Judicial Committee hearings and the enlargement of other committees as may be required, the committee recommended an amendment to the Act to provide that the Benchers can appoint non-bencher members to sit on any committee of a governing body.

Further amendments to the Act affecting the practice of law generally have been recommended as follows:

- The committee has recommended the deletion of the requirement for citizenship as contained in the Act, so as to cause our Statute to conform with the law as set out in recent Supreme Court of Canada decisions;

- The committee recommended the creation of a section providing that in a situation where trust money held by a lawyer is not directly attributable to any particular client as identified in the lawyer's records, those trust monies may be paid directly to the Law Society.

Rule Amendments

Amendments to the rules recommended by the Constitution Committee to the governing body include the following:

- Especially owing to the development of inter-provincial law firms, a recommendation has been made to the governing body changing the rules regarding firm names and the names to be listed on firm letterhead, so as to allow the listing of persons other than Manitoba lawyers in such a manner that it does not mislead the public;

- A new rule has been recommended concerning the reporting to the Law Society of fiscal years and the creation of blended trust accounts;

- The rules regarding appearances of Life Benchers as counsel for members before committees of the governing body has been amended so as to allow members as wide a choice of legal counsel as possible without creating any conflict of interest or appearance of a conflict;

- A rule has been adopted so as to allow discretion to the Judicial Committee regarding the publication of findings of incompetence;

- The rules regarding occasional appearance in Manitoba have been altered so as to provide for approval by the Chief Executive Officer and for the appointment of a Manitoba solicitor as agent for service;

- The committee recommended to the governing body that for purposes of advertising, individual members should be limited to a listing of four areas of preferred practice;

- The rule regarding time periods for insurance assessment was revised so as to provide flexibility for the setting of the time periods.

Other Matters

The committee considered eight separate items relating to unauthorized practice during the year, at least one of which involved a carry-over from the previous year. No instructions were issued for a commencement of legal proceedings, and most of the cases were resolved to the satisfaction of the committee by communication with the party involved. Two of the matters concerned collection agency employees who were alleged to have held themselves out as lawyers during their discussions with debtors.

Following an expression of concern received from the Justices of the Court of Queen's Bench, a sub-committee was formed to examine and make recommendations concerning the rules relating to practice by students. This matter still remains with the Constitution Committee, and there will probably be recommendations made during the next year.

The committee is examining the procedure of the Law Society relating to the interim suspension of members and the appeal procedure for such suspensions. The committee is also examining the role of lawyers as mediators, and the practice whereby a solicitor may act concurrently as Executor and as solicitor for an estate.

The past year has seen the handling of some very difficult and involved matters by the Constitution Committee, and I would like to thank the committee members and staff for their efforts during the past year.

Personnel and Fiscal Management Committee

Don Little
Chairperson

■ This committee, established in 1986, assumes the responsibilities previously discharged by the Salary Review Committee, a subcommittee of the Executive and Finance Committee appointed yearly to make recommendations as to staff matters including salaries and increases.

The Personnel and Fiscal Management Committee is also charged with the mandate of monitoring the funds and assets of The Law Society of Manitoba which funds are managed by the firm of Jarislowsky, Fraser and Company. As well, this committee deals with matters relating to the management of The Law Society Building itself.

During the past year, the committee has made the following recommendations to the Bench which were subsequently approved by the Benchers and implemented:

- Based on a review of the Law Society pension plan by William M. Mercer Limited, the committee recommended the temporary suspension in employer contributions to the plan to reduce an employer contribution surplus that had been created in the plan;

- In conjunction with annual staff salary reviews (which resulted inter alia in a 5% cost of living increase being recommended), the committee implemented a system of salary scales and job classifications drafting a twelve step system for each classified position.

As Chairperson of the committee, I would be remiss in not thanking Ms. McCawley and Messrs. Macri and Sasaki for the hours which they spent in formulating the various classifications, salary scales and alternative proposals. As well, I would personally like to thank Messrs. Scurfield and MacArthur who graciously chaired meetings at which I could not be present and could only participate by tele-conference.

Ethics and Professional Responsibility Committee

Robert Dewar
Chairperson

■ During the past fiscal year, the Ethics and Professional Responsibility Committee has primarily been involved in the review of the new proposed Manitoba Code of Professional Conduct. In the pursuit of that endeavour, the committee met on a number of occasions during the first part of the year and made certain recommendations which flowed upon the examination of the Canadian Bar Association Code as well as the report of a special committee into the proposed Code. As a result of its work, the Ethics Committee prepared a report for the Bench which was considered at a special meeting of the Benchers in February and which resulted in passing, in principle, the new Code of Professional Conduct.

In addition to its examination of the Code, the committee considered certain other matters none of which resulted in any rule or change to the procedures of the Society.

I would like to extend my appreciation to those members of the committee who have contributed their time and efforts throughout the course of the year and in particular their advice on the various thorny and difficult issues that arose in the discussions concerning the new Code.

Legal Aid Liaison Committee

Lore Mirwaldt
Chairperson

■ The committee met with Mr. A. Fineblit on two occasions in 1989-1990 to discuss issues of mutual concern to the Law Society and Legal Aid. A wide range of topics were covered including the issue of paralegals. Mr. Fineblit advised the committee that the Northern Paralegal Program run by Legal Aid in Thompson had enjoyed a high rate of success and that some thought had been put into expanding the program. The Law Society's concern, of course, is in the area of supervision and public contact with the paralegal program. As government legislation may be pending on the issue of paralegals the committee felt it was important to discuss this issue and obtain input from Legal Aid. We also met with Mr. M. Holley who runs the paralegal program at Legal Aid and obtained valuable information regarding the program and supervision of paralegals. This issue should continue to be discussed with Legal Aid in the future.

The committee has also proposed a slate of names on behalf of the Law Society to fill a vacancy on the Legal Aid Services Board.

Joint Public Relations Committee of the Manitoba Bar Association and The Law Society of Manitoba

Norm Cuddy
Chairperson

■ The Public Relations Committee was extremely active in the past year. Direction was received from the Bench that the committee should investigate the hiring of a public relations consultant, and as well should be moving towards publishing the pamphlet relating to lawyers fees.

The committee met with a public relations consultant, and resolved that it would consider retaining such a consultant on behalf of the Society. The approval of the Executive and Finance Committee and the Bench was received, and interviews conducted. In addition, the committee reviewed the Society's pamphlets and interviewed a graphic artist with a view towards updating and making all of the Society's pamphlets more attractive.

Ultimately, a public relations firm was selected by the committee, and a recommendation was made to the Executive and Finance Committee. The matter was returned to the Public Relations Committee with the request that it consider retaining an in-house consultant, and as well a further presentation was made with respect to polling in order to obtain appropriate goals.

The committee resolved at its last meeting of April 9, 1990 that the Executive Officers of the Society attend a media training seminar, and that the "lawyer's fee" pamphlet be published with the appropriate changes being made by a graphic artist. The question of whether to retain a public relations consultant, the objectives of that consultant, and whether an in-house consultant should be retained remain before the committee for its consideration, and are matters which will be dealt with by the next committee.

Manitoba Law School Foundation

Bryan Klein
Chairperson

As Chairperson of the Board of Governors of the Manitoba Law School Foundation, I am pleased to present the annual report of the Foundation to the members of The Law Society of Manitoba.

The Manitoba Law School Foundation was founded by a private enactment of the Manitoba Legislature in 1965 for the purpose of the enhancement and advancement of the Manitoba Law School and for the advancement of legal education and research or other objects considered beneficial to or in the interest of the legal profession and the public.

The members of the Foundation are two nominees of The Law Society of Manitoba, two nominees of the Manitoba Bar Association, two nominees of the Manitoba Law School, and one nominee of the Senate of the University of Manitoba.

During the past twelve months, the Board of Governors met three times.

The Foundation currently oversees the investment of approximately $190,000 of assets, $50,000 of which represents the capital of the Foundation's own endowment fund, $37,000 of which represents the Graeme Garson Fund, and $38,000 represents capital of specific funds that have been established over the years in respect of which the Manitoba Law School Foundation acts as custodian and trustee.

During the course of the year, the Foundation was involved in the following activities:

- The administration of the Graeme Garson Fund through the Graeme Garson Fund Advisory Board. This board recommended and the Foundation approved, certain financial assistance to two students in the Law Society Bar Admission Program;

- Approved prizes out of the various scholarship funds administered by the Foundation to students at the Faculty of Law who were the winners of such prizes after having attained exemplary scholarship standards;

- Funded certain expenses of the moot court competition program at the Faculty of Law.

The Federation of Law Societies of Canada

Deborah McCawley, Q.C.
Chief Executive Officer

■ The Annual Meeting of the Federation of Law Societies of Canada was held at Vancouver, British Columbia, August 17 - 19, 1989. *Robert D. Laing, Q.C.* of Saskatoon, Saskatchewan was elected President of the Federation for the year 1989 - 90 and *David J. Hashey, Q.C.* was elected Vice-President.

During the meetings a one day workshop was held on "Living with the Charter: The Impact of the Charter of Rights and Freedoms on the Governing of the Legal Profession in Canada". The program included a keynote address by *Thomas Berger* who called for acceptance on the part of the governing bodies of greater judicial supervision. Specific charter issues were discussed and subsequent presentations, including "lawyer advertising" (presented by Manitoba's *Alan MacInnes, Q.C.*), "the inter-jurisdictional flow of lawyers", "searches of lawyers' offices", "discipline" and "reasonable limits prescribed by law" were made.

One of the significant issues being studied by the Federation is that of the inter-jurisdictional practice of law. A special committee, chaired by *Jack Edwards, Q.C.* of Vancouver and comprised of representatives from each province and territory has met regularly over the past year. An interim report was discussed at the mid-winter meeting of the Federation in Ste. Adele, Quebec, February 16 - 19, 1990 and was placed before the Benchers of The Law Society of Manitoba for their consideration and comment. It is anticipated that a final report and recommendation will be considered at the annual meeting in London, England in September, 1990.

The past several years has witnessed the emergence of the Federation of Law Societies as an invaluable forum for discussion and consensus at the national level. As professional mobility increases and inter-jurisdictional barriers relax the necessity of increasingly uniform requirements and standards of governance is apparent. The Federation is doing much to assist the provincial governing bodies to this end.

Legal Library Resources Users Committee

Norman Sims
Chairperson

■ Legal Library Resources Users Committee is made up of members from the Department of Justice (2), The Law Society of Manitoba (2), E.K. Williams Law Library and the Manager of Legal Library Resources Manitoba Department of Justice.

1989/90 Committee members were:

Murray Conklin	-	Department of Justice
Tom Hague	-	Department of Justice
Norm Sims	-	The Law Society of Manitoba
Colin MacArthur	-	The Law Society of Manitoba
Neil Campbell	-	E.K. Williams Law Library
Marilyn Hernandez	-	Manager, Legal Library Resources, Department of Justice

The committee, established in 1986, is responsible for overseeing all activities of the Great Library and Department of Justice's Library, in Winnipeg, and the Court House Libraries in Brandon, Dauphin, The Pas and Thompson. Legal Library Resources is also responsible for all Department of Justice program offices throughout Manitoba plus the Provincial Court and Queen's Bench/Court of Appeal libraries. The Manager of Legal Library Resources meets with the committee on several occasions throughout the year seeking advice in order to rationalize library services and collections.

The committee met on several occasions over the past year and discussed and are presently studying a "weeding" policy for the law libraries, dealt with donations of a number of report series from the judiciary and continued to work towards upgrading library facilities, particularly the rural libraries. An inventory of the law library collections in the province continues and a funding application has been made to the Manitoba Law Foundation. A questionnaire was circulated to the legal profession regarding the use of computerized legal research and faxing services, and the demand for same is being studied. This is of particular importance for rural practitioners.

The committee was sad to see the departure of *Dennis Marshall* in June, 1989 to take a position as Chief Librarian at Queen's University, Kingston, Ontario and very pleased to welcome *Neil Campbell* as the new Chief Librarian, E.K. Williams Law Library. In closing, as Chairperson, I would like to thank all the committee members for their hard work over the past year.

Legal Library Resources - Manitoba Department of Justice

Marilyn Hernandez
Manager, Legal Library Resources

■ This third annual report summarizes the activities and accomplishments of the Legal Library Resources program after its fourth full year of operation.

Legal Library Resources coordinates all activities of the Great Library and the Attorney General's Library in Winnipeg, and the four regional court house libraries in Brandon, Dauphin, The Pas and Thompson. Collection development (purchasing and weeding) and maintenance (inventory and cataloguing) for all Justice programs throughout Manitoba, plus the Federal and Provincial Judges' libraries are also the responsibility of Legal Library Resources.

Major client groups served by these libraries include Justice staff, the Judiciary, the practising Bar of the Province of Manitoba and other legal libraries. The general public is served primarily through the Great Library in Winnipeg; although requests to regional court house libraries have also been received and are handled by the part-time library staff on a "by appointment" basis whenever possible.

The program's primary objectives continue to be:

- to respond efficiently and effectively to all information requests;
- to provide overall support to the Department and the legal community through effective coordination of library policies, services, and purchasing;
- to develop comprehensive automated systems for improved province-wide access and budgetary control (for example, the Manitoba Unreported Judgments database and the on-line catalogue of books, currently in the development stages);
- to analyze and improve regional delivery systems; and
- to cooperate with other government and legal libraries for increased cost benefit and resource sharing.

The Manager maintains communications and seeks advice from the Legal Library Resources Users Committee in order to rationalize policies, services, and collections. This committee consists of two representatives each from the Department of Justice and The Law Society of Manitoba, plus the Chief Law Librarian of the E.K. Williams Law Library, University of Manitoba (ex-officio).

Working committees have also been set up for both Judicial libraries (1987) and for the Attorney General's Library (1989).

Major Program Activities

Staff

The staff complement remained at 10 positions, one of which is shared by part-time and project staff, *Georgina Garrett* was hired in February 1990 to replace *Susan Anderson*, who resigned in November, 1989 as the Saturday's staff person at the Great Library. *Kadri Irwin* was hired from mid-December 1989 for 4 months for data entry in the initial stages of automation of the Great Library's

Manitoba Unreported Judgments card file. In February 1990, *Penny Green* began working additional hours, to provide increased support to public services staff during the critical coding and data entry phases of the judgments project.

Standards have been developed and implemented for basic maintenance services provided by part-time staff in the four regional court house libraries.

Great Library, Winnipeg

Computerization remained the focus of special projects during 1989/90, particularly the Manitoba Unreported Judgments project. All library staff made a concerted effort to ensure that regular information services could be provided during the intensive coding period from December 1989 to April 1990. Each judgment rendered since 1978 was re-analyzed, coded, and the resulting data entered into an on-line database. Further refinement of the database will be done during the next few months of 1990.

In September 1989, the Manager obtained the use of the room just outside the Great Library entrance for Legal Library Resources. Our computerized legal research service was moved to this room, which in turn allowed for the consolidation of Technical Services staff and computer equipment in one area.

The textbook room was reorganized in October 1989, so that all books are shelved in one numerical sequence. Texts were consolidated in the lower wall shelves, leaving room for future expansion.

Several major new series were added to the Great Library's serials collection, the *Immigration Law Reporter* and the third edition of *The Australian Digest* being the most important. Several series ceased publication, including the *Yukon Reports* and *Notes of Recent Decisions Rendered by the Immigration Appeal Board* (published by CLIC).

Library clients made 10,734 requests for legal information, 6,289 of which (58%) were complex issues of law requiring detailed research. In addition, library staff performed 453 computer searches (a 57% increase over 1988/89), 339 of which (74%) were complex research requests. A total of 823 books were circulated to court, a 42% increase over 1988/89.

Attorney General's Library, Winnipeg

Walter Karlicki, the lawyer responsible for the library, handled 1,462 basic and 618 complex legal information requests; and 3,866 client visits and 1,381 circulated books were recorded during regular office hours. Clients are mainly Justice staff in the Woodsworth Building.

Technical Services

The major activity of Technical Services staff during 1989/1990 was the planning and development of the Manitoba Unreported Judgments database. Designed by *Al Corrigan*, Head of Technical Services, the database will include records of all Manitoba judgments received by the Great Library since 1978, and will replace the existing manual card file only available in the Great Library.

Technical Services also maintains the purchase order system for all books ordered for the various departmental libraries and programs (443 books in 1989/90, a 24% increase over 1988/89).

The book collections of the Brandon and Dauphin Court House Libraries have been catalogued and added to the central automated file, which also includes Great Library texts purchased since April 1988, and complete textbook collections of the Attorney General's Library and both Judicial Libraries in Winnipeg. The Pas and Thompson library texts will be added during Summer 1990. Future inventories and cataloguing will be done on large, specialized Justice program collections (e.g. Chief Medical Examiner, Legislative Counsel) which are not duplicated elsewhere in the Province.

Library Administration

The Manager and the Administrative Assistant maintain the financial control and payment systems for the entire program, which currently covers records of all library materials (subscriptions, statutes, textbooks, etc.) maintained in over 100 physical locations throughout the Province.

One major focus of activity for the Manager during 1989/90 was a detailed study of the sources of funding for court house libraries across Canada. The information gathered formed part of a joint application in late March 1990 to the Manitoba Law Foundation by The Law Society of Manitoba and the Manitoba Department of Justice, for support of Manitoba's court house libraries.

The Manager also prepared a report on the future of legal library information services as an integral part of the delivery of justice services in Manitoba. This report detailed the methods by which legal and judicial information will be requested by clients, and ways in which print and automated legal information can and should be provided and delivered by Legal Library Resources staff.

Program Directions for 1990/1991

- Manitoba Unreported Judgments database to be refined, and records for all new judgments entered in the automated file
- Development of policies and procedures for access to the Judgments database
- Inventory of textbooks in The Pas and Thompson court house libraries
- Finalizing with the Legal Library Resources Users Committee of the policy and procedures for weeding/disposal of outdated library materials, drafted during late 1989
- Analysis by Technical Services of other manual records files in the Great Library for potential automation
- Needs analysis study of facsimile services from the Great Library in Winnipeg to rural and urban areas
- Ongoing training of staff in all aspects of legal information services.

The ultimate goal is to increase the efficiency and effectiveness of the access to, and delivery of, legal information to priority clientele throughout Manitoba.

Special Committee on Prepaid Legal Services Plans

Colin MacArthur
Chairperson

■ On March 23, 1989 the Benchers resolved to establish a special committee to study the issue of prepaid legal services plans and to report to the governing body as to what guidelines or regulations, if any, ought to be implemented in Manitoba with respect to such plans. The special committee was organized shortly thereafter, the members being *Colin MacArthur, D'Arcy McCaffrey, Q.C., Rob Dewar* and *Don Little*.

The committee met together for six working sessions over the last year, during which it reviewed a significant amount of background material on the concept of prepaid legal services plans from various jurisdictions across Canada and the United States, and identified and discussed the major policy issues related to these plans.

The committee is now in the process of preparing its final written report to the governing body which will outline the issues, review the committee's deliberations, and provide specific recommendations to the Benchers. It is expected this report will be ready for consideration of the governing body within the next few months.

Special Committee on Custodianships

Alan Sweatman, Q.C.
Chairperson

■ In May, 1989, when the committee was constituted, *Deborah McCawley, Q.C.* wrote the other governing bodies in Canada asking for whatever information they could provide respecting custodianships so as to assist the committee in its deliberations. This information came in during the summer and early fall. Ms. McCawley distributed it to the members of the committee.

The committee met on October 24, 1989. After reviewing the material obtained and discussing the present Manitoba legislation and practice, it was agreed that the British Columbia guidelines would be reviewed by one of the members of the committee and that another member would review the provisions of the *Bankruptcy Act*.

The committee met again on January 17, 1990. The two members who had been reviewing the B.C. guidelines and the *Bankruptcy Act* gave their views, which were discussed at some length. It was agreed that the present Manitoba legislation should be broadened and that the B.C. legislation and guidelines were an appropriate model. The Law Society staff were requested to prepare draft amendments to the Manitoba legislation and related policy issues.

The special committee will meet in due course to consider the draft Act amendments and related policy issues, and will then report its recommendations to the governing body.

Legal Data Resources (Manitoba) Corporation (LDRC)

Richard Shead
Chairperson

I have been asked by the Board of Directors of LDRC to present our first annual report to the Benchers of the Society, as the founding member of LDRC.

The first year of operation of LDRC, as in any start-up business, was filled with successes and disappointments.

In the area of successes, LDRC was able to accomplish the following:

- Two hundred and twenty-seven law firm subscribers as at March 31, 1990.
- Provision of computerized search services relating to the Winnipeg Land Titles Office, the Court of Queen's Bench, the Corporation's Branch, the Personal Property Security Registry and Hansard.
- Completion of its first year of operations with an estimated loss of $30,000 (after full depreciation and interest on funds advanced by the Society).
- Sponsorship of lawyer training and educational programs through the auspices of the legal studies branch of The Law Society of Manitoba.
- In-house training by LDRC staff with numerous law firms.

During the first year of its operation, LDRC was disappointed in the following aspects of its operation:

- A number of law firms paid for their original subscriptions to the service but have not activated their use of the facility thereby reducing what would otherwise be expected revenues from those subscribers.
- The Personal Property Security Registry did not get on stream until four months after its original anticipated date, thereby adversely impacting the first year revenues of LDRC.
- The computerized programs and systems developed between Manitoba Data Services (MDS) and LDRC and the information provided to us were not able to accommodate, in the case of the Winnipeg Land Titles Office and certain other of the services, specific facilities to account for charges on a client file reference basis.

All in all, however, LDRC feels that it is already providing a very valuable service to the law profession and to financial institutions and other subscribers in Manitoba and looks forward to a better financial year and an expanded operation in 1990 - 1991.

In order to ensure the ongoing financial viability of LDRC, LDRC has, or is in the process of, concluding the following arrangements:

- Revised fee structure with a monthly minimum for low use subscribers so as to increase the revenues from subscribers and use of the service and ensure all users pay a fair share.

- Letter of intent, in principle, with Manitoba Bar Association for the injection of approximately $42,500 into the working capital of LDRC.

- Discussions with the legal studies division of The Law Society of Manitoba and the Manitoba Law School with respect to expanded training and informational sessions with respect to the LDRC facilities.

On behalf of the Board of Directors of LDRC I wish to acknowledge specifically the contribution that has been made by *Jim Chalmers*, *Alex Morton* and *Myron Pawlowsky* who have spent many hours in discharging their responsibilities as directors of LDRC.

In addition, LDRC would like to extend its sincere appreciation to its administrator, *Cara Trudeau*, and MDS, through its president, *Jim Chalmers*, for the financial and technical assistance that has been provided to LDRC during its start-up phase.

Report of the Auditor-Inspector

Gordon Jones
and
John McFarlane, C.A.

■ During 1989 there were 163 audits of firms completed with an additional 120 contacts covering recalls and new practice instructions.

Despite a practice direction illustrating a proper method of recording investments on behalf of clients, this area of the trust accounting procedures continues to create some concern.

Accounting for funds held for clients in Specific Trust accounts is as important, if not more important, than those funds held in the Pooled Trust accounts. Month-end reconciliations must encompass all monies held in trust on behalf of clients and should be reflected in the listing of individual client balances.

Because numerous firms are contemplating computerization of records, the rules respecting accounts are under review to determine what amendments are necessary to encompass not only manual and one-write systems, but also how the rules apply to computer systems.

Reimbursement Fund

Ryan Sasaki
Comptroller

The Reimbursement Fund was created pursuant to an amendment of *The Law Society Act*, passed on the 17th day of March, 1943. Section 37(4) of the Act requires the Benchers to make a yearly report to the Attorney General as to the Fund. The report made for the calendar year under review shows that an assessment of $100.00 was made for each member entitled to practise, that all members so assessed paid the assessment or the proper proportion thereof; that the total so paid was $160,558.32; and that during the year interest on investments and bank interest in the amount of $49,533.69 was received.

The Benchers made an assessment of $150.00 for the practising year beginning the 1st of April, 1990.

As at March 31, 1990, the Fund stood as follows:

Investments at cost	$813,097.66
Due to General Fund	2,088.64

For the year under review, the Benchers continued to insure the Fund. The principal provisions of the coverage were:

Term:	One year commencing April 1, 1989
Coverage:	A. $10 million any one loss
	B. $10 million annual aggregate
Deductible:	$750,000 annual aggregate
Premium:	$100,159 ($68.79 per member)

During the fiscal year the Benchers authorized payments of $21,558.68 net to five claimants who suffered loss through misappropriation by *Michael Leonard Skremetka*, and $104,988.08 to ten claimants through misappropriation by *Donald Melvin Dunlop*.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants

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AUDITORS' REPORT

To the Members,
The Law Society of Manitoba.

We have examined the condensed balance sheet and the special purpose funds balance sheets of The Law Society of Manitoba at March 31, 1990 and the statements of operations and fund equities of the General Fund, Reimbursement Fund, Legal Education Fund, Endowment and Trust Fund, Professional Liability Claims Fund, Legal Studies Program Fund, Law Phone In and Lawyer Referral Fund, William Edward Driscoll Bursary Fund and Brian Pauls' Emergency Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Society at March 31, 1990 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte & Touche

Chartered Accountants

Winnipeg, Manitoba
May 24, 1990

THE LAW SOCIETY OF MANITOBA
(Incorporated under The Law Society Act of Manitoba)

CONDENSED BALANCE SHEET AT MARCH 31, 1990

ASSETS

GENERAL FUND

	1990	1989
Cash and term deposits	$ 749,264	$1,408,560
Funds held in trust	143,635	142,595
Accounts and interest receivable	35,030	21,411
Prepaid expenses	21,121	3,123
Loan receivable from LDRC (Note 6)	106,216	51,335
Investments, at cost (market value $662,343; 1989 - $637,895) (Note 2)	662,888	649,028
Pension accrual (Note 1)	25,813	29,254
Investment in Lawyer Excess Liability Insurance Manitoba Ltd., at cost	1,000	-
Fixed assets (Note 1)	1,131,049	1,131,049
	2,876,016	3,436,355

SPECIAL PURPOSE FUNDS (COMBINED)

Due from General Fund	942,400	1,507,100
Accounts and interest receivable	51,733	51,718
Accounts receivable from the Manitoba Law Foundation	278,326	-
Prepaid expenses	116,450	112,850
Investments, at cost (market value $5,139,318; 1989 - $3,830,038) (Note 2)	5,147,635	3,912,962
	6,536,544	5,584,630
	$9,412,560	$9,020,985

LIABILITIES AND FUND EQUITIES

GENERAL FUND

	1990	1989
Accounts payable and accrued liabilities	$ 116,980	$ 130,872
Funds held in trust	143,635	142,595
Fees paid in advance	278,950	180,404
Mortgage payable (Note 3)	831,393	856,634
Due to Lawyer Excess Liability Insurance Manitoba Ltd.	1,000	-
Due to Special Purpose Funds (Combined)	942,400	1,507,100
	2,314,358	2,817,605
Fund equity - Statement II	561,658	618,750
	2,876,016	3,436,355

SPECIAL PURPOSE FUNDS (COMBINED)

Accounts payable	197,185	32,682
Assessments paid in advance	86,690	38,725
Professional liability claims assessments paid in advance	710,175	359,450
Reserve for outstanding professional liability claims and associated costs (Note 4)	2,214,118	2,100,000
	3,208,168	2,530,857
Fund equity		
Reimbursement Fund - Statement III	662,287	770,473
Legal Education Fund - Statement IV	-	-
Endowment and Trust Fund - Statement V		
Billinkoff Loan Fund	1,470	1,463
Crawford Scholarship and Prize Fund	5,437	5,510
Professional Liability Claims Fund - Statement VI (Note 4)	2,473,977	2,172,830
Legal Studies Program Fund - Statement VII	181,197	99,857
Law Phone In and Lawyer Referral Fund - Statement VIII	-	-
William Edward Driscoll Bursary Fund - Statement IX	3,658	3,295
Brian Pauls' Emergency Fund - Statement X	350	345
	3,328,376	3,053,773
	6,536,544	5,584,630
	$9,412,560	$9,020,985

On behalf of the Benchers

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See accompanying notes to financial statements.

Deloitte & Touche

THE LAW SOCIETY OF MANITOBA

STATEMENT OF GENERAL FUND OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Revenues		
Annual fee - practicing	$ 844,314	$ 877,334
- non-practicing	21,428	21,268
Rental	131,464	130,994
Call and attorney fees	23,250	22,250
Administration fees	38,420	28,390
Grant from Professional Liability Claims Fund	75,000	75,000
Net investment income	51,053	52,788
Miscellaneous	40,785	39,379
Costs recovered - Discipline Committee	2,047	6,587
	1,227,761	1,253,990
Expenses		
Benchers' meeting expenses	42,912	41,339
Discipline Committee expenses	81,297	54,411
Foreign exchange loss on investments	4,038	3,741
Grant to C.L.E.A.	40,071	20,721
Grant to Legal Studies Program Fund	-	54,171
Grant to Manitoba Law School Foundation	-	25,000
Grant to U of M Faculty of Law	25,000	-
Library grant	140,000	140,000
Mortgage interest	104,765	117,006
Other grants and prizes	27,126	20,464
Office equipment and maintenance	64,189	26,436
Other office and sundry expenses	101,805	114,225
Printing, stationery and postage	77,411	77,458
Professional fees	10,533	15,413
Property taxes	37,932	38,409
Public relations	979	2,716
Salaries and benefits	449,030	426,401
Travel	60,951	40,279
Utilities	16,814	16,313
	1,284,853	1,234,503
Excess of revenues over expenses (expenses over revenues)	(57,092)	19,487
Fund equity, beginning of year	618,750	599,263
Fund equity, end of year	$ 561,658	$ 618,750

See accompanying notes to financial statements.

Deloitte & Touche

STATEMENT III

THE LAW SOCIETY OF MANITOBA

STATEMENT OF REIMBURSEMENT FUND OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Revenues		
Annual assessments	$ 160,731	$117,481
Net investment income	58,685	53,576
	219,416	171,057
Expenses		
Claims	126,547	8,524
Foreign exchange loss on investments	5,653	5,238
Insurance	100,159	89,576
Salaries	95,243	98,869
	327,602	202,207
Excess of expenses over revenues	(108,186)	(31,150)
Fund equity, beginning of year	770,473	801,623
Fund equity, end of year	$ 662,287	$770,473

STATEMENT IV

STATEMENT OF LEGAL EDUCATION FUND OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Interest income	$ -	$ -
Fund equity, beginning of year	-	5,368
Capital withdrawals during the year	-	(5,368)
Fund equity, end of year	$ -	$ -

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See accompanying notes to financial statements.

THE LAW SOCIETY OF MANITOBA

STATEMENT OF ENDOWMENT AND TRUST FUND OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Billinkoff Loan Fund		
Interest income	$ 7	$ -
Fund equity, beginning of year	1,463	1,463
Fund equity, end of year	$ 1,470	$ 1,463
Crawford Scholarship and Prize Fund		
Investment income	$ 402	$ 562
Less Scholarship paid	475	600
Excess of expense over revenue	(73)	(38)
Fund equity, beginning of year	5,510	5,548
Fund equity, end of year	$ 5,437	$ 5,510

See accompanying notes to financial statements.

Deloitte & Touche

THE LAW SOCIETY OF MANITOBA

STATEMENT OF PROFESSIONAL LIABILITY CLAIMS FUND OPERATIONS AND EQUITY FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Revenues		
Insurance premiums paid by members	$1,506,778	$ 1,425,750
Net investment income	422,207	299,199
	1,928,985	1,724,949
Expenses		
Adjusters' fees	169,723	133,130
Claims paid	378,116	26,698
Counsel fees	340,555	222,865
Foreign exchange loss on investments	28,631	20,950
Grant to General Fund	75,000	75,000
Other	43,084	102,247
Premiums	478,611	335,610
Reserve for outstanding claims and associated costs (Note 1(b) and 4)	114,118	2,100,000
	1,627,838	3,016,500
Excess of revenues over expenses (expenses over revenue)	301,147	(1,291,551)
Fund equity, beginning of year	2,172,830	3,464,381
Fund equity, end of year (Note 4)	$2,473,977	$ 2,172,830

See accompanying notes to financial statements.

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STATEMENT VII

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LEGAL STUDIES PROGRAM FUND OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Revenues		
Grant from Manitoba Law Foundation	$582,674	$423,664
Bar admission course fees	41,050	43,500
Legal studies lectures	43,825	143,020
Grant from the General Fund	-	54,171
Miscellaneous	17,648	23,052
Interest	-	6,037
	685,197	693,444
Expenses		
Call ceremony	8,048	6,310
Furniture and fixtures	22,576	44,377
Grants	13,500	12,000
Honoraria to lecturers	58,792	57,900
Miscellaneous	8,458	5,965
Office supplies and stationery	25,622	24,078
Photocopying and printing	60,760	89,776
Rent - General Fund	105,603	102,764
Salaries	239,558	212,551
Seminars	22,207	43,590
Travel and professional development	9,783	8,870
Travel and lodging - students	28,950	21,947
	603,857	630,128
Excess of revenues over expenses	81,340	63,316
Fund equity, beginning of year	99,857	36,541
Fund equity, end of year	$181,197	$ 99,857

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See accompanying notes to the financial statements.

STATEMENT VIII

THE LAW SOCIETY OF MANITOBA

STATEMENT OF LAW PHONE IN AND LAWYER REFERRAL FUND
OPERATIONS AND EQUITY
FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Revenues		
Grant from Manitoba Law Foundation	$ -	$ 40,000
Grant from General Fund	-	20,721
	-	60,721
Expenses		
Grant to C.L.E.A.	-	25,274
Salaries and benefits	-	35,447
Sundry	-	-
Telephone	-	-
	-	60,721
Net income and fund equity, end of year	$ -	$ -

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See accompanying notes to financial statements.

STATEMENT IX

THE LAW SOCIETY OF MANITOBA

STATEMENT OF WILLIAM EDWARD DRISCOLL BURSARY FUND OPERATIONS AND EQUITY FOR THE YEAR ENDED MARCH 31, 1990

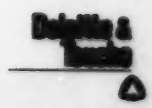
	1990	1989
Investment income	$ 363	$ 235
Fund equity, beginning of year	3,295	3,060
Fund equity, end of year	$ 3,658	$ 3,295

STATEMENT X

STATEMENT OF BRIAN PAULS' EMERGENCY FUND OPERATIONS AND EQUITY FOR THE YEAR ENDED MARCH 31, 1990

	1990	1989
Interest income	$ 5	$ -
Capital contributions	-	22
Fund equity, beginning of year	345	323
Fund equity, end of year	$ 350	$ 345

See accompanying notes to financial statements.



THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS AT MARCH 31, 1990

ASSETS

REIMBURSEMENT FUND

	1990	1989
Due from General Fund	$ -	$ 3,148
Accrued interest receivable	6,805	9,172
Investments, at cost (market value $812,439; 1989 - $773,269) (Note 2)	813,098	788,854
	819,903	801,174

ENDOWMENT AND TRUST FUND

Due from General Fund	94	84
Accounts and accrued interest receivable	1,813	1,889
Investment in term deposits, at cost	5,000	5,000
	6,907	6,973

PROFESSIONAL LIABILITY CLAIMS FUND

Prepaid expenses	115,500	112,000
Due from General Fund	1,006,094	1,372,211
Accrued interest receivable	42,815	40,288
Investments, at cost (market value $4,321,879; 1989 - $3,056,369) (Note 2)	4,329,537	3,119,109
	5,493,946	4,643,608

LEGAL STUDIES PROGRAM FUND

Due from General Fund	-	128,317
Accounts receivable	278,326	70
Prepaid expenses	950	850
	$ 279,276	$ 129,237

LIABILITIES AND FUND EQUITIES

REIMBURSEMENT FUND

	1990	1989
Due to General Fund	$ 2,089	$ -
Assessments paid in advance	70,350	30,701
Accounts payable and accrued liabilities	85,177	-
Fund equity - Statement III	662,287	770,473
	819,903	801,174

ENDOWMENT AND TRUST FUND

Fund equity - Statement V		
Billinkoff Loan Fund	1,470	1,463
Crawford Scholarship and Prize Fund	5,437	5,510
	6,907	6,973

PROFESSIONAL LIABILITY CLAIMS FUND

Professional liability insurance premiums paid in advance	710,175	359,450
Accounts payable	95,676	11,328
Reserve for outstanding claims and associated costs (Note 4)	2,214,118	2,100,000
Fund equity - Statement VI (Note 4)	2,473,977	2,172,830
	5,493,946	4,643,608

LEGAL STUDIES PROGRAM FUND

Due to general fund	65,407	-
Accounts payable	16,332	21,355
Course fees paid in advance	16,340	8,025
Fund equity - Statement VII	181,197	99,857
	$ 279,276	$ 129,237

See accompanying notes to financial statements.

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THE LAW SOCIETY OF MANITOBA

SPECIAL PURPOSE FUNDS
BALANCE SHEETS AT MARCH 31, 1990

ASSETS	1990	1989	LIABILITIES AND FUND EQUITIES	1990	1989
WILLIAM EDWARD DRISCOLL BURSARY FUND					
Due from General Fund	$ 3,658	$ 3,295	Fund equity - Statement IX	$ 3,658	$ 3,295
BRIAN PAULS' EMERGENCY FUND					
Loan receivable	300	300	Fund equity - Statement X	350	345
Due from General Fund	50	45			
	$ 350	$ 345		$ 350	$ 345

See accompanying notes to financial statements.

Deloitte & Touche

THE LAW SOCIETY OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

1. Basis of accounting

a. Nature of organization

The Law Society of Manitoba is a not-for-profit organization incorporated by a special act of the Manitoba legislature. The Society follows the accrual method of accounting and has established separate special purpose funds for the administration of specific programs.

b. Reserve for outstanding claims

The Society records claims of the Professional Liability Claims Fund by accruing a reserve for outstanding claims and associated costs at March 31, 1990. The balance of the reserve at March 31, 1990 was $2,214,118 (1989 - $2,100,000).

In 1989, the Society changed its method of accounting for the reserve for outstanding claims and associated costs from a cash basis to an accrual basis prospectively. Accordingly, the 1989 fiscal year was charged entirely with accumulated outstanding claims at March 31, 1989 in the amount of $2,100,000.

c. Fixed assets

Fixed assets are composed as follows:

	1990	1989
Land	$ 257,501	$ 257,501
Building	873,547	873,547
Office equipment	1	1
	$1,131,049	$1,131,049

Land and the building are valued at cost while office equipment is valued at a nominal amount. Office equipment purchases are expensed in the year of acquisition. Depreciation expense has not been recorded in the financial statements.

d. Foreign currency translation

All investments maintained in United States currency have been translated into Canadian dollars at the exchange rate in effect at March 31, 1990.

e. Pensions

The cost of pension benefits earned by employees covered under the Society's defined benefit pension plan is charged to expense as services are rendered. Differences between the recorded expense and actuarial funding requirements are reflected in the General Fund balance sheet as a pension accrual (See Note 7).

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THE LAW SOCIETY OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

2. Investments

Investments consist of certain guaranteed investments, stocks and bonds and are recorded on the cost basis. Management of the Society is of the opinion that the decline in market value of the investments is temporary in nature and accordingly, no write-down to market value has been provided in these financial statements.

As in the previous year, the Society has continued to invest in certain equity and debt securities. Certain of these investments and related earnings have been aggregated in one pool and are allocated amongst the funds as follows:

	1990	1989
General Fund	10.12%	12.50%
Reimbursement Fund	14.17	17.50
Professional Liability Claims Fund	75.71	70.00
	100.00%	100.00%

3. Mortgage Payable

The mortgage on the land and building due to The Great-West Life Assurance Company is secured by the property and assignment of rents. Interest is charged at 12.75% per annum compounded semi-annually. Monthly principal and interest mortgage payments of $10,856 commenced February 1, 1986 and continue for 10 years. The unpaid balance is due and payable January 1, 1996.

4. Professional Liability Claims Fund contingent liability

The Professional Liability Claims Fund operates to make available a source of funds for the payment of current and future claims, relating to errors and omissions, against the Society's members. The estimated amount likely to be payable by the Society with respect to claims in process at March 31, 1990 amounts to approximately $2,214,118 (1989 - $2,100,000) and has been reflected in the financial statements at March 31, 1990. The entire fund equity of $2,473,977 remaining is available to pay for future claims relating to errors and omissions.

As of July 1, 1988, the Society entered into a Reciprocal Insurance Exchange agreement with the Law Societies of Saskatchewan, Alberta, Nova Scotia, Prince Edward Island, New Brunswick and the Yukon. This new insurance entity known as the Canadian Lawyers Insurance Association (CLIA) is providing professional liability insurance coverage together with the Society's own fund on the following terms:

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THE LAW SOCIETY OF MANITOBA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1990

4. Professional Liability Claims Fund contingent liability (continued)

Limit of Member Entitlement:	$1,000,000 per occurrence
The Law Society of Manitoba's deductible:	$300,000 per occurrence (of which the first $5,000 of the claim is reimbursable from the member)
Stop Loss Limit:	$2,200,000

Any coverage beyond the $1,000,000 is the responsibility of the individual member. If the Society reaches $2,200,000 in total deductible for the underwriting year the excess claims will be covered by the insurer.

In prior years, the Society advanced $96,950 to CLIA to fund their operations. The Society expensed these amounts in the financial statements but continues to be a CLIA subscriber with unallocated equity reported to their benefit at $183,662 at June 30, 1989. This amount has not been reflected in these financial statements.

From April 1, 1986 to June 30, 1988, the Society operated its Professional Liability Claims Fund without the benefit of any insurance coverage from external sources. The Society provided coverage up to a maximum of $250,000 with each member responsible for the first $5,000.

Prior to April 1, 1986, external insurance coverage was maintained which provided a $25,000 deductible clause for each claim paid with the first $5,000 being recoverable from the member.

5. Reimbursement Fund contingent liability

Claims against members of the Society arising from breach of trust and misappropriation of clients' funds are considered by the Benchers and at the discretion of the governing body certain amounts may be paid to the claimants. Any claim payments which may occur will be accounted for in the year payment is approved by the Benchers.

6. Legal Data Resources (Manitoba) Corporation

Legal Data Resources (Manitoba) Corporation (LDRC) was established under the auspices of The Law Society of Manitoba to serve the members of the legal profession by facilitating access to data bases maintained by various provincial government offices.

LDRC is in its initial years of operation and has experienced operating losses to March 31, 1990. However, the Society expects to fully recover the balance owing from LDRC.

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7. Pension plan

The Law Society of Manitoba maintains a contributory defined benefit pension plan covering substantially all of its employees. The plan provides pension benefits based on length of service and final average earnings.

Actuarial reports prepared during the year, which were based on projections of employees' compensation levels to the time of retirement, indicate that the present value of the accrued pension benefits and the net assets available to provide for these benefits are as follows at March 31, 1990:

Accrued pension benefits	$533,626
Pension fund assets, at market value	$703,202

8. Comparative figures

Certain of the prior year's figures have been reclassified to conform with the current year's financial statement presentation.

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